Health Benefit Exchange and Medicaid: Public Meeting
Nevada Division of Health Care Financing and Policy (DHCFP)
Carson City Community Center, 851 E. William Street, Carson City, Nevada
Tuesday, May 24, 2011 10:00 AM – 12:00 PM
Notes from Meeting: Q&A

I. The Exchange and Medicaid Presentation

- Speakers:
  - Gloria Macdonald, CPA – Project Manager for Health Care Reform, Division of Health Care Financing and Policy (DHCFP)
  - Bob Carey – Senior Advisor, Public Consulting Group (PCG)

II. Questions/Comments

- **Michael Hess, Cognosante/Fox**
  - Question: You mentioned the RFP for the IT strategy project. Can you talk a little bit more about what the scope of that project is and the timing of the release of the RFP?
  - Answer: The scope is to develop the eligibility engine that will be connected to the Exchange. The timing we're looking at is towards the end of this calendar year. It takes a lot of on the ground planning. As you might imagine, it is a very large project.
  - Question: Is that also within the scope of Public Consulting Group's services?
  - Answer: Not the creation of the system, but PCG will help the State procure systems. PCG's technical consulting team is based out of Sacramento. They are the consultants that are helping the State of Nevada identify the eligibility engine that will determine eligibility, not just for the Exchange, but also for Medicaid and CHIP, and hopefully other social service programs. Down the road, we expect that TANF, SNAP and child support enforcement eligibility determination will also run on the same eligibility system

- **Tracey Woods, AmeriGroup**
  - Question: With regards to continuity of coverage, when you have people dropping off Medicaid and going onto the Exchange, will there be auto-transition requirements, so that you don't have a disruption of coverage?
  - Answer: As we are starting the Level One Establishment Grant application process, these are the types of questions that we are beginning to discuss and at least start to attempt to answer. Our end goal is working towards building the whole system, so these are things that we've been discussing. We still do not know what the end result is going to look like. It is something we are looking into, though.

- **Alise Moss Vetica, Citizen**
  - Question: Is eligibility based on calendar year or fiscal year?
  - Answer: Eligibility is based on current income.
  - Question: Is the enrollment period based on calendar year or fiscal year?

- Answer: It is based on the plan year. Plans have to the effective January 1, 2014, so the current thinking is that the individual will sign up for coverage effective January 1, 2014, and they will be able to shop for new plans during the open enrollment period the following year, potentially in January of 2015. If someone signs up midyear, so say in July, due to a qualifying event that allowed them to become eligible, their coverage would be for six months, and they would be part of the annual enrollment period again in January.
    - This is the way commercial insurance works. You sign up for coverage for the year. If two months after you enroll, you decide that you are not happy, you're stuck with your plan for ten months. This is why educating people initially when they enroll will be so important. They are essentially locked in for the year or for that period of time until the next open enrollment cycle.
- Question: Because of the geographical makeup of Nevada, are you looking to establish a regional Exchange, so that people who are closer to Utah will have access to their Exchange, etc?
- Answer: There are three options in setting up the Exchange: One is to have exclusively a state Exchange, which Nevada is currently working towards. The second option is to let the federal government establish the Exchange for the state, which we decided not to have happen. The third option is the regional Exchange. We are always in conversations with other states and looking at that as a potential option. But, at the moment, we do not know yet how it would play out. There are going to be geographical crossovers of populations, which is why it's definitely something we need to look at.
    - One issue with the regional Exchange is that insurance is regulated at the state level. The State of Nevada Division of Insurance regulates and has authority over the insurance market in Nevada, and the State of Utah regulates its own insurance market. There are different rules in each state, so we would have to figure out how to level-set those rules. With regard to plan offerings, PPOs might be the more viable option in a place where there is a lot of cross border in terms of people working in one state and living in the other or receiving care in one state and living in another state. That will be part of the Exchange's responsibility to figure out what's the set of offerings that are available to people to best meet their needs in Elko or other parts of the state where there's not a concentration of population. The innovator states are working towards developing their eligibility engines or platforms ahead of the rest of the states in the hopes of working towards a universal platform for all business to take place. Because of the cross-border issues, just having a more uniform platform that allows for information to move from one state to the next from an IT perspective will be very important. Also along with the health information technology, we have health information records, so we are going to be working in conjunction with those folks to develop a lot of this IT framework.

- **Kay Lockhart, Nevada Independent Insurance Agents**
    - Question: I understand the concept of the navigator is to act as a guide to the rather unsophisticated buyers through the system, but what safeguards will be built in that

unlicensed unprofessional people will be giving insurance coverage information to people?

- Answer: There is a lot of discussion about this going on at the state level and the federal level. In some cases, there is kind of a blurring of the lines between what is a navigator and what is a broker/ agent. We are waiting on guidelines that are being developed by HHs that apply to all these different elements related to healthcare reform. We expect there's going to be certain requirements, perhaps some kind of licensing and/or way of documenting navigators' performance. Something has to be in place because we're dealing with citizens at large, and we want to be talking to the community organizations that might be helping. We want to be talking to the brokers and agents. I think we're going to have to work through this in anticipation of what these guidelines are going to be, as well.
- Question: The board of the Exchange, who will promulgate the regulations to establish the implementation of those duties?
- Answer: It would be the Board that's going to do the bylaws and set up duties for the Exchange. The Board will not be doing insurance regulation, just developing the guidelines for the Exchange. Depending on the membership of the Board, they're presumably going to be looking to our subject matter experts within the state. The Board may also have subcommittees and advisory groups made up of subject matter experts that would be those people that are in the trenches that can tell us, from their experience, what works. It is going to be collaboration between the board and the subcommittees, with the board having the final authority.

- **Elisa Cafferata, State Voices/ Nevada Advocates for Planned Parenthood Affiliates**
  - Question: It's not clear to me whether you envision a wide range of organizations participating as navigators or if you envision that different organizations will come together and create new entities?
  - Answer: Because of Nevada's geography, it would not make sense to recreate the wheel in every aspect of what we're going to be doing. It makes more sense to collaborate with groups that are already in existence and have established connections.
  - Question: Will there be an insurance licensing requirement or training provided by the Exchange? It sounds like you are still working this out, but we'd be interested in participating if that is what happens.
  - Answer: Yes, we need to somehow be able to manage those groups in an organized, professional way. Again, we haven't seen the federal guidelines, but we're sort of expecting something along those lines. The law talks about navigators as entities that have established, or can establish relationships with consumers and employers. The law also directs the secretary of Health and Human Services with developing guidelines for navigators and developing guidelines for the role of brokers. It specifically calls out those two entities separately.
    - One of the other things that the law, with regard to navigators, is that the law specifically says that a navigator cannot be compensated directly or indirectly for enrolling someone in a plan. The law then directs the Exchange to set up a grant program to fund navigators.

- **Susan Lisagor, Senator Harry Reid's office**
    - Question: You're saying that the Exchange actually will be the entity that sets up the whole navigator system using guidelines that the HHS develops, correct?
    - Answer: Correct. We will need to do that in conjunction with the state Medicaid agency and CHIP because navigators are not just going to be reaching out to people who are Exchange eligible. They will need to be knowledgeable about Medicaid and the enrollment process, and probably other social service programs, as well, because people are going to have questions.
        - These folks will have broader knowledge than a typical insurance agent, but sort of limited in terms of the depth of that knowledge. They will not need all of the certification and requirements that a broker would need to pass in the licensure, but they need to have enough knowledge to help navigate people and direct them toward the right program and know when to stop and say you need to call someone else for those questions. Figuring this out will be a challenge.

- **Janae Holmes, Retired**
    - Question: I'm a little bit confused about Medicaid and Medicare. Is the Exchange going to replace my Medicare, or is it like secondary insurance?
    - Answer: No, if you're eligible for Medicare, you're not going to be eligible for the Exchange. You might be Medicaid eligible if your income is low, but people that purchase insurance through the Exchange are not eligible for either Medicaid or Medicare.

- **Larry Curley, Indian Health Board of Nevada**
    - Question: There are 27 tribal governments in the State of Nevada, 13 tribal health clinics and a new Nevada area Indian health service office coming into town. To what extent are they going to be involved, and what does it mean for the tribes and the tribal health clinics in this whole progression?
    - Answer: It's going to be important. We are going to start our next phase of planning and our marketing and outreach, and we will need to be in contact with you to start having that conversation with the tribes about everything that's going to be going on and how the tribes are going to be affected, so I'm happy to see that you're here today. We have made initial contact and will be following up. I'm sure we'll be in conversation in the not too distant future.

- **Heuthe Heinze, Access to Healthcare Network**
    - Comment: We already have a call center that services all of Nevada, and I fear that there are undertones of people thinking that navigators, or someone like Access to Healthcare Network, will try to take something away from the brokers.
        - We have shown in the last five years that we are very successful. If people qualify for Access to Healthcare Network, we pass it on to a broker. I don't think that it is as big of an issue as people might feel threatened by it.
    - Answer: The complexity of what we're trying to create is going to require all the different professionals and associations to be able to reach everyone that we need to reach.

- **Jack Kim, Health Plan of Nevada and United Healthcare**
    - Question: I just had a couple of questions on the discussion on the navigators. It made it sound like there's going to be some sort of state licensing requirement for them.
    - Answer: We don't know whether this is true yet.
    - Comment: In SB440, I don't think there's any power for the Board to do any type of licensing.
    - Answer: SB440 is intended to set up the basic foundation for the governance board. If we need to come in later for more legislation, we will do that. Our goal this time was just to set up a framework for the Board.
    - Comment: We do not go back into session until 2013. The Exchange goes live in 2014. If there are licensing issues to be done, you're talking about trying to do it in 2013.
    - Answer: The legislation authorizes the Board to set up necessary processes and regulations to operate the Exchange. Part of the operations of the Exchange includes the navigators program, which is funded by the Exchange. I would envision that the Board or the Exchange entity would set up criteria to use in determining who meets the navigator standards and who is eligible for funding, because some people do it for free, though not many.
        - If it comes down to a question of the Division of Insurance needing some regulatory authority, you are right that we would have to go back.
        - There is language in the bill that talks about adopting regulations to carry out the duties of the Exchange. Fortunately, we are kind of attached to the Division of Insurance. We're working across many departments within the State, and we sit down in a regular workgroup to discuss all of these issues. We will work through this as we go forward.
    - Comment: I wasn't quite sure whether there was authority to do that. The concern I had was that even if there is some authority, typically the division of insurance or anyone else will have some sort of licensing fees that's attached to it. I don't recall the bill giving them the authority to do that.
    - Answer: We are going to have to do some kind of fees, income fees. I don't know what it's going to look like at this point, but the Exchange must be self-sustaining by 2015. The Board does have the authority to make those decisions and, again, we haven't really had that discussion yet. As we move forward, we will be talking to you.
    - Question: Regarding the state mandates verses commercial population, some of the bullet points in your presentation made it sound like the Medicaid plan would really have to mimic what's in the commercial market. Did I misread that?
    - Answer: When they talk about the benchmark benefits for the newly eligible folks in Medicaid, the reference is they have to cover all of the essential health benefits, the other types of Medicaid specific benefits. It could look like what's available to federal employees or state employees or the largest HMO. It wouldn't necessarily mean that it would have all of the state mandates added on top of it.

- **Tom Chase, Nevada Health Centers**
    - Question: Has there been any thought given to ACOs within the Medicaid side? The feds have promulgated proposed rules on Medicare ACOs, but is the state going to go there?
    - Answer: John Whaley with the Division of Health Care Financing and Policy - I'm Chief of Business Lines, which handles managed care for Medicaid, and right now we are looking into ACOs to do care management. As to how it will tie into the Exchange, I really don't know at this point.

- **Elisa Cafferata, State Voices/ Nevada Advocates for Planned Parenthood Affiliates**
    - Question: There are only two weeks left in the Session. Your bill is in the first house. Do you have a plan for if it does not pass the Legislature?
    - Answer: It will be up to the Governor to determine what happens with the Exchange. I do not have the plan, but I think the Governor does.

- **Pete Gilbert, Employer Benefits**
    - Question: You mentioned that individuals will be locked into a plan for a certain period of time. Is there a gatekeeper so that people do not jump in whenever they want?
    - Answer: There will be an annual open enrollment period where people will be able to sign up for coverage. Then there will also be qualifying events during the course of the year just as there are today in the commercial insurance market.
        - In 2014, we move into the guaranteed issue model, in which if you want insurance and you can afford it, you can buy it. There's no health underwriting, so you're not going to be rated based on a history of illness. That opens the door to risk selection problems because you don't want a situation in which people on the way to the hospital pick up the phone and sign up for coverage. You want to have some process that allows people to purchase coverage but restricts their ability to hop in and out.
        - The Exchange will need to work with the Division of Insurance and with the carriers to develop a common set of rules about what is a qualifying event and who is going to monitor people's access to insurance outside of open enrollment period.
        - The same is true with people who might be offered employer-sponsored insurance. If you're offered employer sponsored insurance, you're not going to be eligible for subsidies through the Exchange (unless your premiums are more than nine and a half percent of your income), so most people who are offered employer0sponsored insurance are not going to be eligible for coverage through the Exchange.
    - Question: As far as the benefits and the rates, and I know you're working on these different plans of the platinum versus the bronze, are you in competition with Medicaid and CHIP?
    - Answer: No, they are a different market. Folks who are eligible for Medicaid are not going to be eligible for the Exchange.
    - Question: Now there are all these new people, the 145,000, that are going to be newly eligible. What about them?

- Answer: They are newly eligible for Medicaid. Basically, as of right now, any single or childless adults or married couples are not currently eligible for Medicaid. In 2014, Medicaid will cover everyone up to 100-percent of federal poverty level. Nevada hasn't had that luxury of revenues to support that. This will allow that to happen. It will be fully funded by the federal government for the first three years and then basically it's a 90/10 match after 2020.
- Question: With regards to the current mandates that are on group medical insurance, are they going to be within the Exchange or does the State pay for those mandates?
- Answer: If they're above and beyond the essential health benefits. The federal government will come out with regulations in the fall that lists out the essential health benefits. Nevada will need to compare the current mandates with the essential benefits. The cost of any additional mandate the State continues to require that falls outside of the essential health benefit ,and that is sold through the Exchange, will be picked up by the State. For example, say one particular mandate costs $3 of the total premium. The State will have to pay that $3 on behalf of the member.

- **Ms. Andreoss, Maximus Health Services**
  - Comment: I have brought a white paper with me that we've shared with a lot of our state clients and other states in ways, based on our experience, of how to streamline the process of working with Medicaid and CHIP clients and most effective and efficient ways for those types of things, as well.
  - Answer: Gloria – you can give that to me. I'm reading all kinds of things, as you might imagine.

III. Conclusion

- Thank you for your active participation. The last stakeholder meeting will be tomorrow in Las Vegas. After that, we will begin a more targeted outreach campaign focused on individual meetings and focus groups.